

ESSB 6050 - H AMD 580

By Representatives Orcutt, Armstrong

FAILED 04/20/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 79.64.110 and 2003 c 334 s 207 are each amended to
4 read as follows:

5 Any moneys derived from the lease of state forest lands or from the
6 sale of valuable materials, oils, gases, coal, minerals, or fossils
7 from those lands, must be distributed as follows:

8 (1) State forest lands acquired through RCW 79.22.040 or by
9 exchange for lands acquired through RCW 79.22.040:

10 (a) The expense incurred by the state for administration,
11 reforestation, and protection, not to exceed twenty-five percent, which
12 rate of percentage shall be determined by the board, must be returned
13 to the forest development account in the state general fund.

14 (b) Any balance remaining must be paid to the county in which the
15 land is located to be paid, distributed, and prorated, except as
16 otherwise provided in this section, to the various funds in the same
17 manner as general taxes are paid and distributed during the year of
18 payment, except that no distribution may be made to the state general
19 fund. Revenues that would otherwise be dedicated to the state general
20 fund shall be deposited in the city-county assistance account created
21 in section 2 of this act.

22 (c) Any balance remaining, paid to a county with a population of
23 less than sixteen thousand, must first be applied to the reduction of
24 any indebtedness existing in the current expense fund of the county
25 during the year of payment.

26 (d) With regard to moneys remaining under this subsection (1),
27 within seven working days of receipt of these moneys, the department
28 shall certify to the state treasurer the amounts to be distributed to
29 the counties. The state treasurer shall distribute funds to the

1 counties four times per month, with no more than ten days between each
2 payment date.

3 (2) State forest lands acquired through RCW 79.22.010 or by
4 exchange for lands acquired through RCW 79.22.010, except as provided
5 in RCW 79.64.120:

6 (a) Fifty percent shall be placed in the forest development
7 account.

8 (b) Fifty percent shall be prorated and distributed to the state
9 general fund, to be dedicated for the benefit of the public schools,
10 and the county in which the land is located according to the relative
11 proportions of tax levies of all taxing districts in the county. The
12 portion to be distributed to the state general fund shall be based on
13 the regular school levy rate under RCW 84.52.065 and the levy rate for
14 any maintenance and operation special school levies. With regard to
15 the portion to be distributed to the counties, the department shall
16 certify to the state treasurer the amounts to be distributed within
17 seven working days of receipt of the money. The state treasurer shall
18 distribute funds to the counties four times per month, with no more
19 than ten days between each payment date. The money distributed to the
20 county must be paid, distributed, and prorated to the various other
21 funds in the same manner as general taxes are paid and distributed
22 during the year of payment.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW
24 to read as follows:

25 (1) The city-county assistance account is created in the state
26 treasury. Money in the account may be spent only after appropriation.
27 Expenditures from the account may be used only for the purposes
28 provided in this section.

29 (2) Fifty percent of the receipts deposited in the city-county
30 assistance account shall be allocated to counties, and the remainder
31 shall be allocated to cities.

32 (3) Revenues allocated to counties shall be distributed as provided
33 under this subsection.

34 (a) Except as provided in (b) and (c) of this subsection, the
35 amount distributed to a county under this section shall be an amount
36 equal to twenty-five percent of the greater of the amounts described
37 under (a)(i) through (iii) of this subsection.

1 (i) For a county imposing the sales and use tax under RCW
2 82.14.030(1) at the maximum rate and receiving less than the base
3 amount from the tax in the measurement year, an amount from the city-
4 county assistance account sufficient, when added to the amount of
5 revenues received by the county in the measurement year, to equal the
6 base amount. For the purposes of this subsection (3)(a)(i), "base
7 amount" means two hundred fifty thousand dollars in the first
8 distribution year. Thereafter, "base amount" means two hundred fifty
9 thousand dollars increased by the rate of inflation as provided under
10 subsection (5) of this section.

11 (ii)(A) For a county with an unincorporated population of one
12 hundred thousand or less and imposing the sales and use tax under RCW
13 82.14.030(1) at the maximum rate and receiving less than seventy
14 percent of the statewide weighted average per capita level of revenues
15 for the unincorporated areas of all counties in the measurement year as
16 determined by the department, an amount from the city-county assistance
17 account sufficient, when added to the per capita level of revenues for
18 the unincorporated area received by the county in the measurement year,
19 to equal seventy percent of the statewide weighted average per capita
20 level of revenues for the unincorporated areas of all counties in the
21 measurement year.

22 (B) For a county with an unincorporated population of more than one
23 hundred thousand and imposing the sales and use tax under RCW
24 82.14.030(1) at the maximum rate and receiving less than sixty-five
25 percent of the statewide weighted average per capita level of revenues
26 for the unincorporated areas of all counties in the measurement year as
27 determined by the department, an amount from the city-county assistance
28 account sufficient, when added to the per capita level of revenues for
29 the unincorporated area received by the county in the measurement year,
30 to equal sixty-five percent of the statewide weighted average per
31 capita level of revenues for the unincorporated areas of all counties
32 in the measurement year.

33 (iii)(A) For a county with an unincorporated population of fifteen
34 thousand or less, an amount equal to the amount provided to the county
35 for fiscal year 2005 by section 716, chapter 276, Laws of 2004.

36 (B) For a county with an unincorporated population of more than
37 fifteen thousand and less than twenty-two thousand, and with respect to

1 distributions made under this section in calendar years 2006 and 2007
2 only, an amount equal to the amount provided to the county for fiscal
3 year 2005 by section 716, chapter 276, Laws of 2004.

4 (b) If funds in the city-county assistance account for allocation
5 to the counties are inadequate to make the distributions in (a) of this
6 subsection, then the distributions shall be reduced ratably among the
7 qualifying counties.

8 (c) If funds in the city-county assistance account for allocation
9 to the counties exceed the amount necessary to make the distributions
10 in (a) of this subsection, the excess funds shall be apportioned
11 ratably among those counties receiving funds under this section and
12 imposing the tax under RCW 82.14.030(1) at the maximum rate.

13 (4) Revenues allocated to cities shall be distributed as provided
14 under this subsection.

15 (a) Except as provided in (c), (d), and (e) of this subsection, the
16 amount distributed to a city under this section shall be an amount
17 equal to twenty-five percent of the greater of the amounts described
18 under (a)(i) through (iii) of this subsection. This subsection (4)(a)
19 applies only to cities with a population of five thousand or less and
20 with a per capita assessed value of taxable property in the measurement
21 year less than twice the statewide average per capita assessed value of
22 taxable property for all cities for the measurement year.

23 (i) For a city imposing the sales and use tax under RCW
24 82.14.030(1) at the maximum rate and receiving less than fifty-five
25 percent of the statewide weighted average per capita level of revenues
26 for all cities in the measurement year as determined by the department,
27 an amount from the city-county assistance account sufficient, when
28 added to the per capita level of revenues received by the city in the
29 measurement year, to equal fifty-five percent of the statewide weighted
30 average per capita level of revenues for all cities in the measurement
31 year.

32 (ii) An amount equal to the amount provided to the city for fiscal
33 year 2005 by section 721, chapter 25, Laws of 2003 1st sp. sess.

34 (iii) For a city with a per capita assessed value of taxable
35 property in the measurement year less than fifty percent of the
36 statewide average per capita assessed value of taxable property for all
37 cities in the measurement year as determined by the department, an
38 amount determined by subtracting the city's per capita assessed value

1 of taxable property in the measurement year from fifty percent of the
2 statewide average per capita assessed value of taxable property for all
3 cities in the measurement year, dividing that amount by one thousand,
4 and multiplying the result by the city's population.

5 (b) Except as provided in (c), (d), and (e) of this subsection, the
6 amount distributed to a city under this section shall be an amount
7 equal to twenty-five percent of the greater of the amounts described
8 under (b)(i) through (iii) of this subsection. This subsection (4)(b)
9 applies only to cities with a population of more than five thousand and
10 with a per capita assessed value of taxable property in the measurement
11 year less than the statewide average per capita assessed value of
12 taxable property for all cities for the measurement year.

13 (i) For a city imposing the sales and use tax under RCW
14 82.14.030(1) at the maximum rate and receiving less than fifty percent
15 of the statewide weighted average per capita level of revenues for all
16 cities in the measurement year as determined by the department, an
17 amount from the city-county assistance account sufficient, when added
18 to the per capita level of revenues received by the city in the
19 measurement year, to equal fifty percent of the statewide weighted
20 average per capita level of revenues for all cities in the measurement
21 year.

22 (ii) For distributions in calendar years 2006 and 2007 only, an
23 amount equal to the amount provided to the city for fiscal year 2005 by
24 section 721, chapter 25, Laws of 2003 1st sp. sess.

25 (iii) For a city with a per capita assessed value of taxable
26 property in the measurement year less than fifty percent of the
27 statewide average per capita assessed value of taxable property for all
28 cities in the measurement year as determined by the department, an
29 amount determined by subtracting the city's per capita assessed value
30 of taxable property in the measurement year from fifty percent of the
31 statewide average per capita assessed value of taxable property for all
32 cities in the measurement year, dividing that amount by one thousand,
33 and multiplying the result by the city's population.

34 (c) A city may not receive an amount in any distribution year that
35 would cause cumulative distributions to the city under this section for
36 the year to exceed one hundred thousand dollars, increased after the
37 first distribution year by the rate of inflation as provided under
38 subsection (5) of this section.

1 (d) If funds in the city-county assistance account for allocation
2 to the cities are inadequate to make the distributions in (a) and (b)
3 of this subsection, then the distributions shall be reduced ratably
4 among the qualifying cities.

5 (e) If funds in the city-county assistance account for allocation
6 to the cities exceed the amount necessary to make the distributions in
7 (a) and (b) of this subsection, the excess funds shall be apportioned
8 ratably among those cities receiving funds under this section and
9 imposing the tax under RCW 82.14.030(1) at the maximum rate.

10 (f) This subsection (4) applies only to cities incorporated prior
11 to the effective date of this section.

12 (5)(a) For the purpose of certifications under subsection (6) of
13 this section, the department shall calculate the base amount in
14 subsection (3)(a)(i) of this section and the amount in subsection
15 (4)(c) of this section for distribution years after the first
16 distribution year using an adjustment for inflation as defined in RCW
17 84.55.005.

18 (b) With respect to a city, town, or county to which or from which
19 unincorporated territory is annexed during a measurement year, and for
20 the purposes of calculating amounts for distribution under subsections
21 (3) and (4) of this section based upon information from that year, the
22 department shall utilize estimates of the population and assessed value
23 of taxable property in the jurisdiction immediately prior to the
24 annexation.

25 (6)(a) Distributions of the amounts provided under subsections (3)
26 and (4) of this section shall be made quarterly beginning on January 1,
27 2006, based on receipts to the city-county assistance account as
28 provided in (b) of this subsection. The department shall certify the
29 amounts to be distributed under this section to the state treasurer.
30 Amounts certified by the department are final and may not be appealed.
31 The certification shall be made by January 1, 2006, for the January 1,
32 2006, distribution, and by April 1, 2006, for the April 1, 2006,
33 distribution. The certification shall be made by June 1, 2006, with
34 respect to the distributions occurring in the ensuing distribution
35 year, and by June 1st of each year thereafter with respect to the
36 distributions occurring in each subsequent distribution year.

37 (b) The quarterly distributions shall be made based on receipts to
38 the city-county assistance account as follows:

1 (i) Any distribution made on January 1st shall be based on receipts
2 to the account during the immediately preceding September, October, and
3 November;

4 (ii) Any distribution made on April 1st shall be based on receipts
5 to the account during the immediately preceding December, January, and
6 February;

7 (iii) Any distribution made on July 1st shall be based on receipts
8 to the account during the immediately preceding March, April, and May;
9 and

10 (iv) Any distribution made on October 1st shall be based on
11 receipts to the account during the immediately preceding June, July,
12 and August.

13 (7) All distributions to local governments from the city-county
14 assistance account constitute increases in state distributions of
15 revenue to political subdivisions for purposes of state reimbursement
16 for the costs of new programs and increases in service levels under RCW
17 43.135.060, including any claims or litigation pending against the
18 state on or after January 1, 2005.

19 (8) For the purposes of this section, the following definitions
20 apply:

21 (a) Except for the initial distribution year, "distribution year"
22 means the twelve-month period beginning July 1st. For the purposes of
23 the initial distribution year, "distribution year" means the twelve-
24 month period ending June 30, 2006.

25 (b) "Measurement year" means the calendar year prior to the year in
26 which the certification under subsection (6) of this section is made.

27 (c) "Population" means the population for the county or city as
28 determined by the office of financial management for the measurement
29 year.

30 (d) "City" means city or town.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 44.28 RCW
32 to read as follows:

33 During calendar year 2008, the joint legislative audit and review
34 committee shall review the distributions to cities and counties under
35 section 2 of this act to determine the extent to which the
36 distributions target the needs of cities and counties for which the
37 repeal of the motor vehicle excise tax had the greatest fiscal impact.

1 In conducting the study, the committee shall solicit input from the
2 cities and counties. The department of revenue and the state treasurer
3 shall provide the committee with any data within their purview that the
4 committee considers necessary to conduct the review. The committee
5 shall report to the legislature the results of its findings, and any
6 recommendations for changes to the distribution formulas under section
7 2 of this act, by December 31, 2008.

8 **Sec. 4.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
9 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
10 follows:

11 (1) All earnings of investments of surplus balances in the state
12 treasury shall be deposited to the treasury income account, which
13 account is hereby established in the state treasury.

14 (2) The treasury income account shall be utilized to pay or receive
15 funds associated with federal programs as required by the federal cash
16 management improvement act of 1990. The treasury income account is
17 subject in all respects to chapter 43.88 RCW, but no appropriation is
18 required for refunds or allocations of interest earnings required by
19 the cash management improvement act. Refunds of interest to the
20 federal treasury required under the cash management improvement act
21 fall under RCW 43.88.180 and shall not require appropriation. The
22 office of financial management shall determine the amounts due to or
23 from the federal government pursuant to the cash management improvement
24 act. The office of financial management may direct transfers of funds
25 between accounts as deemed necessary to implement the provisions of the
26 cash management improvement act, and this subsection. Refunds or
27 allocations shall occur prior to the distributions of earnings set
28 forth in subsection (4) of this section.

29 (3) Except for the provisions of RCW 43.84.160, the treasury income
30 account may be utilized for the payment of purchased banking services
31 on behalf of treasury funds including, but not limited to, depository,
32 safekeeping, and disbursement functions for the state treasury and
33 affected state agencies. The treasury income account is subject in all
34 respects to chapter 43.88 RCW, but no appropriation is required for
35 payments to financial institutions. Payments shall occur prior to
36 distribution of earnings set forth in subsection (4) of this section.

1 (4) Monthly, the state treasurer shall distribute the earnings
2 credited to the treasury income account. The state treasurer shall
3 credit the general fund with all the earnings credited to the treasury
4 income account except:

5 (a) The following accounts and funds shall receive their
6 proportionate share of earnings based upon each account's and fund's
7 average daily balance for the period: The capitol building
8 construction account, the Cedar River channel construction and
9 operation account, the Central Washington University capital projects
10 account, the charitable, educational, penal and reformatory
11 institutions account, the city-county assistance account, the common
12 school construction fund, the county criminal justice assistance
13 account, the county sales and use tax equalization account, the data
14 processing building construction account, the deferred compensation
15 administrative account, the deferred compensation principal account,
16 the department of retirement systems expense account, the drinking
17 water assistance account, the drinking water assistance administrative
18 account, the drinking water assistance repayment account, the Eastern
19 Washington University capital projects account, the education
20 construction fund, the election account, the emergency reserve fund,
21 The Evergreen State College capital projects account, the federal
22 forest revolving account, the health services account, the public
23 health services account, the health system capacity account, the
24 personal health services account, the state higher education
25 construction account, the higher education construction account, the
26 highway infrastructure account, the industrial insurance premium refund
27 account, the judges' retirement account, the judicial retirement
28 administrative account, the judicial retirement principal account, the
29 local leasehold excise tax account, the local real estate excise tax
30 account, the local sales and use tax account, the medical aid account,
31 the mobile home park relocation fund, the multimodal transportation
32 account, the municipal criminal justice assistance account, the
33 municipal sales and use tax equalization account, the natural resources
34 deposit account, the oyster reserve land account, the perpetual
35 surveillance and maintenance account, the public employees' retirement
36 system plan 1 account, the public employees' retirement system combined
37 plan 2 and plan 3 account, the public facilities construction loan
38 revolving account beginning July 1, 2004, the public health

1 supplemental account, the public works assistance account, the Puyallup
2 tribal settlement account, the regional transportation investment
3 district account, the resource management cost account, the site
4 closure account, the special wildlife account, the state employees'
5 insurance account, the state employees' insurance reserve account, the
6 state investment board expense account, the state investment board
7 commingled trust fund accounts, the supplemental pension account, the
8 Tacoma Narrows toll bridge account, the teachers' retirement system
9 plan 1 account, the teachers' retirement system combined plan 2 and
10 plan 3 account, the tobacco prevention and control account, the tobacco
11 settlement account, the transportation infrastructure account, the
12 tuition recovery trust fund, the University of Washington bond
13 retirement fund, the University of Washington building account, the
14 volunteer fire fighters' and reserve officers' relief and pension
15 principal fund, the volunteer fire fighters' and reserve officers'
16 administrative fund, the Washington fruit express account, the
17 Washington judicial retirement system account, the Washington law
18 enforcement officers' and fire fighters' system plan 1 retirement
19 account, the Washington law enforcement officers' and fire fighters'
20 system plan 2 retirement account, the Washington school employees'
21 retirement system combined plan 2 and 3 account, the Washington state
22 health insurance pool account, the Washington state patrol retirement
23 account, the Washington State University building account, the
24 Washington State University bond retirement fund, the water pollution
25 control revolving fund, and the Western Washington University capital
26 projects account. Earnings derived from investing balances of the
27 agricultural permanent fund, the normal school permanent fund, the
28 permanent common school fund, the scientific permanent fund, and the
29 state university permanent fund shall be allocated to their respective
30 beneficiary accounts. All earnings to be distributed under this
31 subsection (4)(a) shall first be reduced by the allocation to the state
32 treasurer's service fund pursuant to RCW 43.08.190.

33 (b) The following accounts and funds shall receive eighty percent
34 of their proportionate share of earnings based upon each account's or
35 fund's average daily balance for the period: The aeronautics account,
36 the aircraft search and rescue account, the county arterial
37 preservation account, the department of licensing services account, the
38 essential rail assistance account, the ferry bond retirement fund, the

1 grade crossing protective fund, the high capacity transportation
2 account, the highway bond retirement fund, the highway safety account,
3 the motor vehicle fund, the motorcycle safety education account, the
4 pilotage account, the public transportation systems account, the Puget
5 Sound capital construction account, the Puget Sound ferry operations
6 account, the recreational vehicle account, the rural arterial trust
7 account, the safety and education account, the special category C
8 account, the state patrol highway account, the transportation 2003
9 account (nickel account), the transportation equipment fund, the
10 transportation fund, the transportation improvement account, the
11 transportation improvement board bond retirement account, and the urban
12 arterial trust account.

13 (5) In conformance with Article II, section 37 of the state
14 Constitution, no treasury accounts or funds shall be allocated earnings
15 without the specific affirmative directive of this section.

16 **Sec. 5.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to read
17 as follows:

18 (1) All earnings of investments of surplus balances in the state
19 treasury shall be deposited to the treasury income account, which
20 account is hereby established in the state treasury.

21 (2) The treasury income account shall be utilized to pay or receive
22 funds associated with federal programs as required by the federal cash
23 management improvement act of 1990. The treasury income account is
24 subject in all respects to chapter 43.88 RCW, but no appropriation is
25 required for refunds or allocations of interest earnings required by
26 the cash management improvement act. Refunds of interest to the
27 federal treasury required under the cash management improvement act
28 fall under RCW 43.88.180 and shall not require appropriation. The
29 office of financial management shall determine the amounts due to or
30 from the federal government pursuant to the cash management improvement
31 act. The office of financial management may direct transfers of funds
32 between accounts as deemed necessary to implement the provisions of the
33 cash management improvement act, and this subsection. Refunds or
34 allocations shall occur prior to the distributions of earnings set
35 forth in subsection (4) of this section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury income
37 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,
2 safekeeping, and disbursement functions for the state treasury and
3 affected state agencies. The treasury income account is subject in all
4 respects to chapter 43.88 RCW, but no appropriation is required for
5 payments to financial institutions. Payments shall occur prior to
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings
8 credited to the treasury income account. The state treasurer shall
9 credit the general fund with all the earnings credited to the treasury
10 income account except:

11 (a) The following accounts and funds shall receive their
12 proportionate share of earnings based upon each account's and fund's
13 average daily balance for the period: The capitol building
14 construction account, the Cedar River channel construction and
15 operation account, the Central Washington University capital projects
16 account, the charitable, educational, penal and reformatory
17 institutions account, the city-county assistance account, the common
18 school construction fund, the county criminal justice assistance
19 account, the county sales and use tax equalization account, the data
20 processing building construction account, the deferred compensation
21 administrative account, the deferred compensation principal account,
22 the department of retirement systems expense account, the drinking
23 water assistance account, the drinking water assistance administrative
24 account, the drinking water assistance repayment account, the Eastern
25 Washington University capital projects account, the education
26 construction fund, the election account, the emergency reserve fund,
27 The Evergreen State College capital projects account, the federal
28 forest revolving account, the health services account, the public
29 health services account, the health system capacity account, the
30 personal health services account, the state higher education
31 construction account, the higher education construction account, the
32 highway infrastructure account, the industrial insurance premium refund
33 account, the judges' retirement account, the judicial retirement
34 administrative account, the judicial retirement principal account, the
35 local leasehold excise tax account, the local real estate excise tax
36 account, the local sales and use tax account, the medical aid account,
37 the mobile home park relocation fund, the multimodal transportation
38 account, the municipal criminal justice assistance account, the

1 municipal sales and use tax equalization account, the natural resources
2 deposit account, the oyster reserve land account, the perpetual
3 surveillance and maintenance account, the public employees' retirement
4 system plan 1 account, the public employees' retirement system combined
5 plan 2 and plan 3 account, the public facilities construction loan
6 revolving account beginning July 1, 2004, the public health
7 supplemental account, the public works assistance account, the Puyallup
8 tribal settlement account, the regional transportation investment
9 district account, the resource management cost account, the site
10 closure account, the special wildlife account, the state employees'
11 insurance account, the state employees' insurance reserve account, the
12 state investment board expense account, the state investment board
13 commingled trust fund accounts, the supplemental pension account, the
14 Tacoma Narrows toll bridge account, the teachers' retirement system
15 plan 1 account, the teachers' retirement system combined plan 2 and
16 plan 3 account, the tobacco prevention and control account, the tobacco
17 settlement account, the transportation infrastructure account, the
18 tuition recovery trust fund, the University of Washington bond
19 retirement fund, the University of Washington building account, the
20 volunteer fire fighters' and reserve officers' relief and pension
21 principal fund, the volunteer fire fighters' and reserve officers'
22 administrative fund, the Washington fruit express account, the
23 Washington judicial retirement system account, the Washington law
24 enforcement officers' and fire fighters' system plan 1 retirement
25 account, the Washington law enforcement officers' and fire fighters'
26 system plan 2 retirement account, the Washington public safety
27 employees' plan 2 retirement account, the Washington school employees'
28 retirement system combined plan 2 and 3 account, the Washington state
29 health insurance pool account, the Washington state patrol retirement
30 account, the Washington State University building account, the
31 Washington State University bond retirement fund, the water pollution
32 control revolving fund, and the Western Washington University capital
33 projects account. Earnings derived from investing balances of the
34 agricultural permanent fund, the normal school permanent fund, the
35 permanent common school fund, the scientific permanent fund, and the
36 state university permanent fund shall be allocated to their respective
37 beneficiary accounts. All earnings to be distributed under this

1 subsection (4)(a) shall first be reduced by the allocation to the state
2 treasurer's service fund pursuant to RCW 43.08.190.

3 (b) The following accounts and funds shall receive eighty percent
4 of their proportionate share of earnings based upon each account's or
5 fund's average daily balance for the period: The aeronautics account,
6 the aircraft search and rescue account, the county arterial
7 preservation account, the department of licensing services account, the
8 essential rail assistance account, the ferry bond retirement fund, the
9 grade crossing protective fund, the high capacity transportation
10 account, the highway bond retirement fund, the highway safety account,
11 the motor vehicle fund, the motorcycle safety education account, the
12 pilotage account, the public transportation systems account, the Puget
13 Sound capital construction account, the Puget Sound ferry operations
14 account, the recreational vehicle account, the rural arterial trust
15 account, the safety and education account, the special category C
16 account, the state patrol highway account, the transportation 2003
17 account (nickel account), the transportation equipment fund, the
18 transportation fund, the transportation improvement account, the
19 transportation improvement board bond retirement account, and the urban
20 arterial trust account.

21 (5) In conformance with Article II, section 37 of the state
22 Constitution, no treasury accounts or funds shall be allocated earnings
23 without the specific affirmative directive of this section.

24 NEW SECTION. **Sec. 6.** This act takes effect August 1, 2005, except
25 for section 5 of this act which takes effect July 1, 2006.

26 NEW SECTION. **Sec. 7.** Section 4 of this act expires July 1, 2006."

27 Correct the title.

EFFECT: Removes the provision that redirects a portion of the state real estate excise tax to fund a new account for the purpose of providing local government assistance. Provides funding to the city-county assistance account by redirecting the state general fund portion of revenues from the lease of, or sales of natural resources from, forest board transfer lands. Clarifies mitigation criteria relating to

assessed valuations, such that the criteria pertains to assessed valuations of taxable property, instead of all property. Modifies the mitigation option for cities with below-average property tax bases so that the mitigation amounts are compared to a standard equal to 50 percent of the statewide average per capita assessed property value, instead of 55 percent. Delays the first distributions from the account to January 1, 2006. Makes technical modifications to improve administrative clarity.

--- END ---